

Economic Conditions and Regional Economic Outlook

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W.E. Upjohn Institute for Employment Research

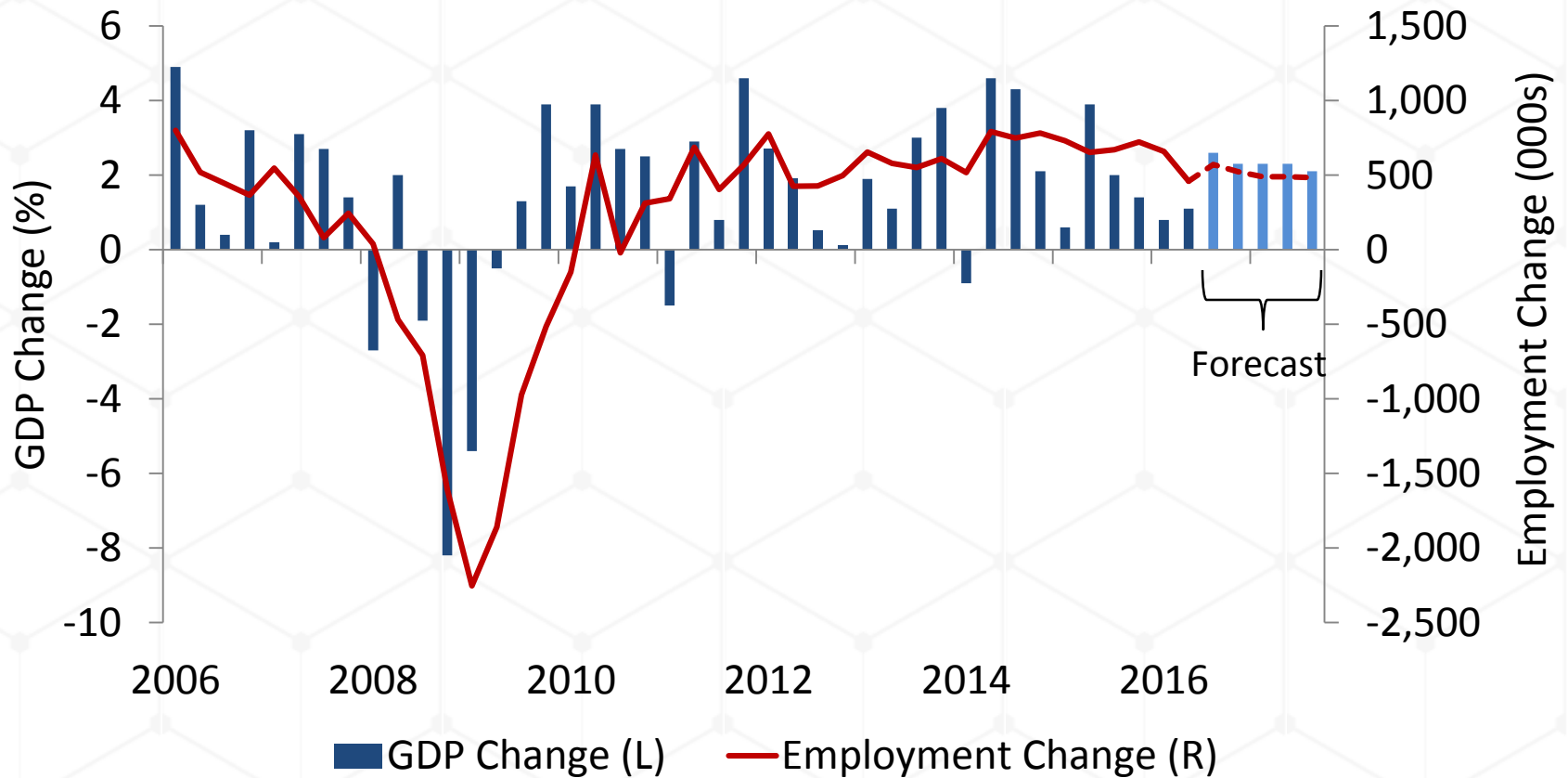
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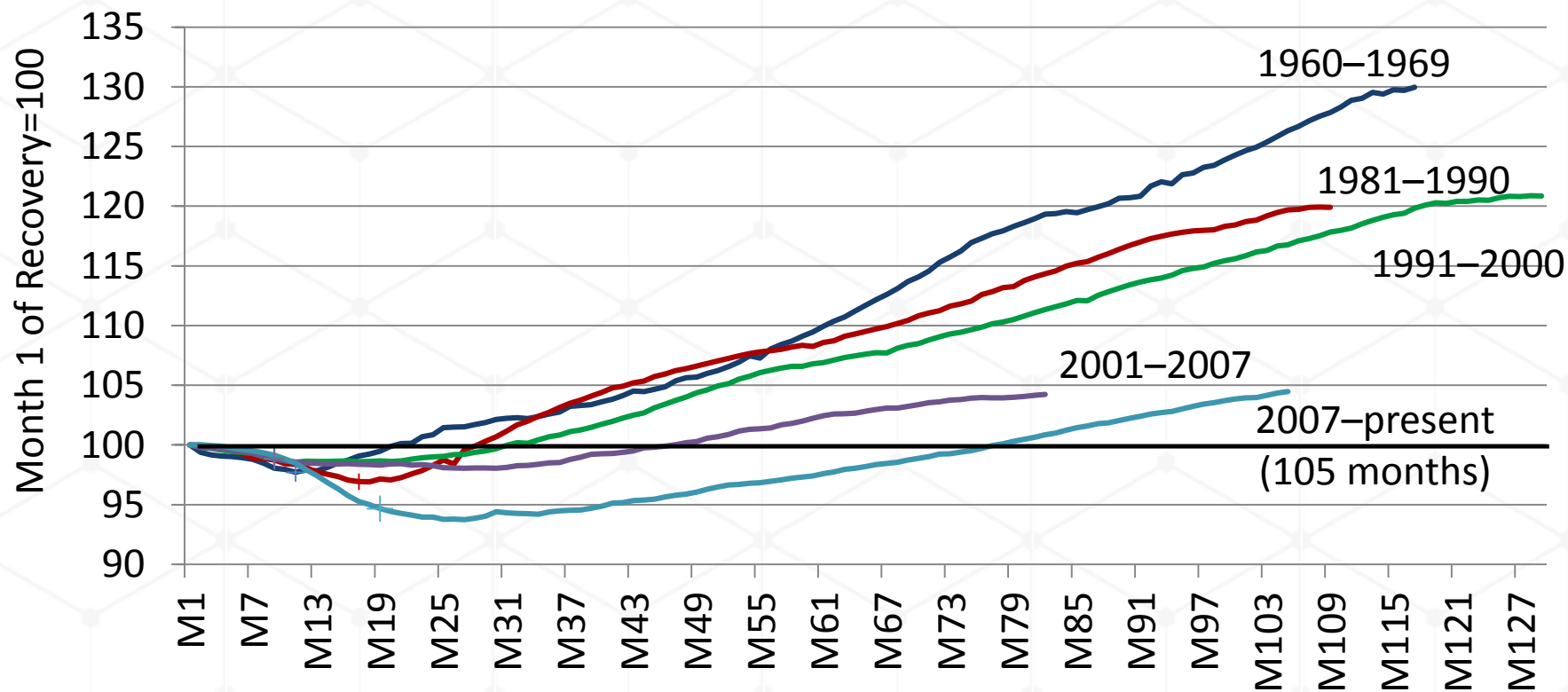
Forecasts are flat

Gross Domestic Product and Employment Change

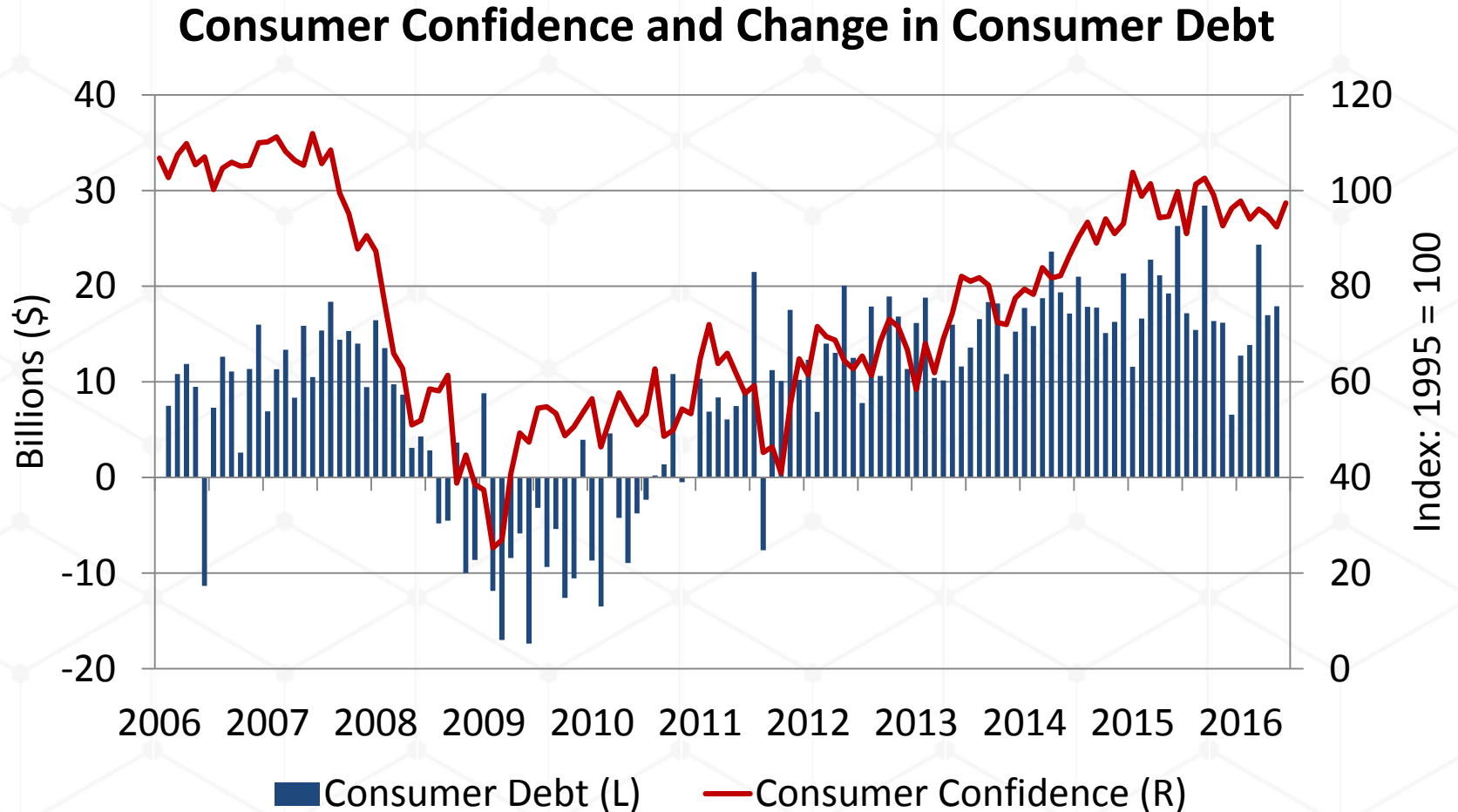


The calendar isn't yet calling for a recession—if you trust history

Employment Index From Business Cycle Peak

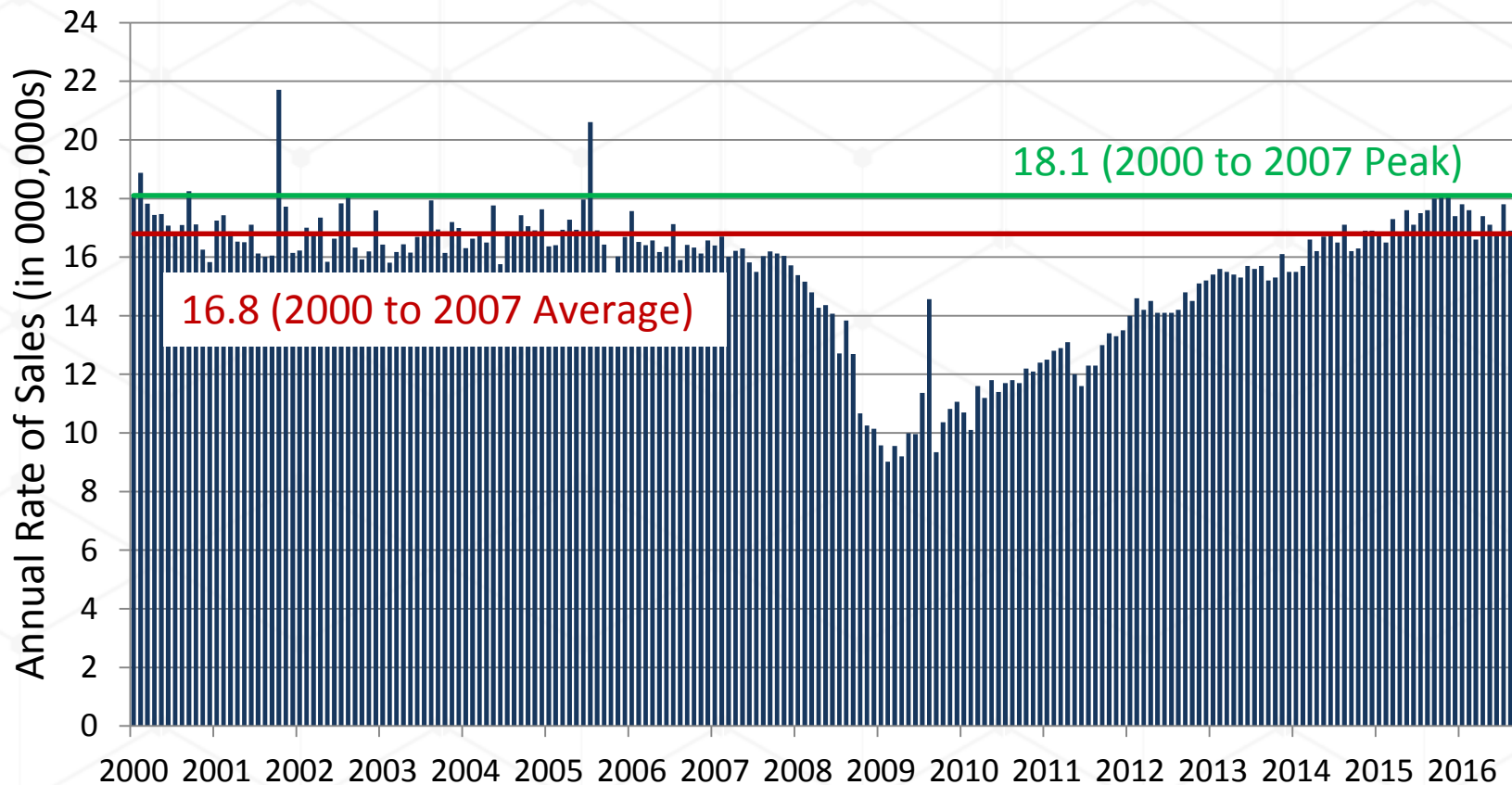


Mixed signals from consumers



Are sales at a natural peak?

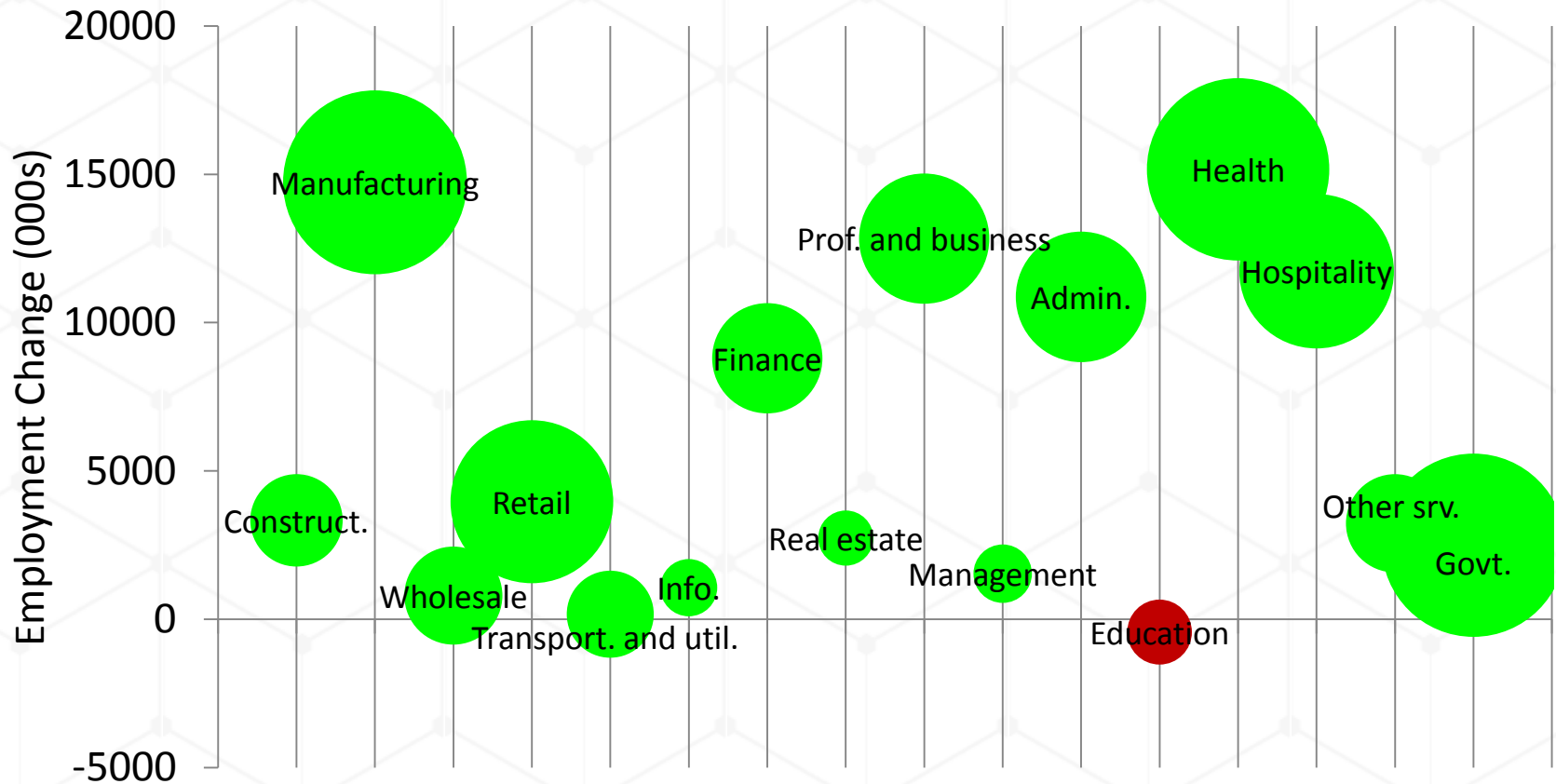
Annualized Rate of U.S. Light Vehicle Sales (in millions)



Moving on to Michigan

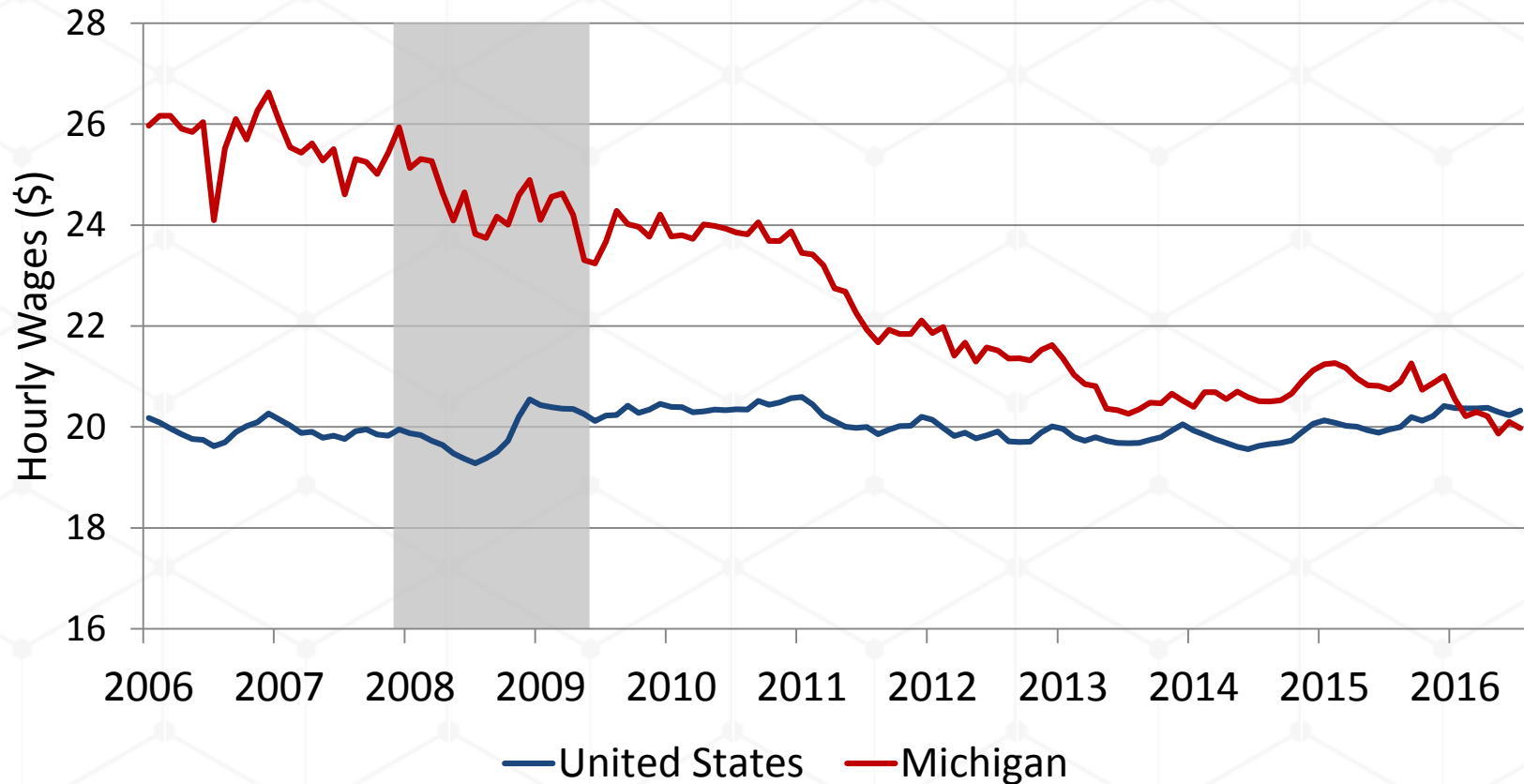
Employment is growing in nearly every industry

Employment Change, Q2 2015 to Q2 2016



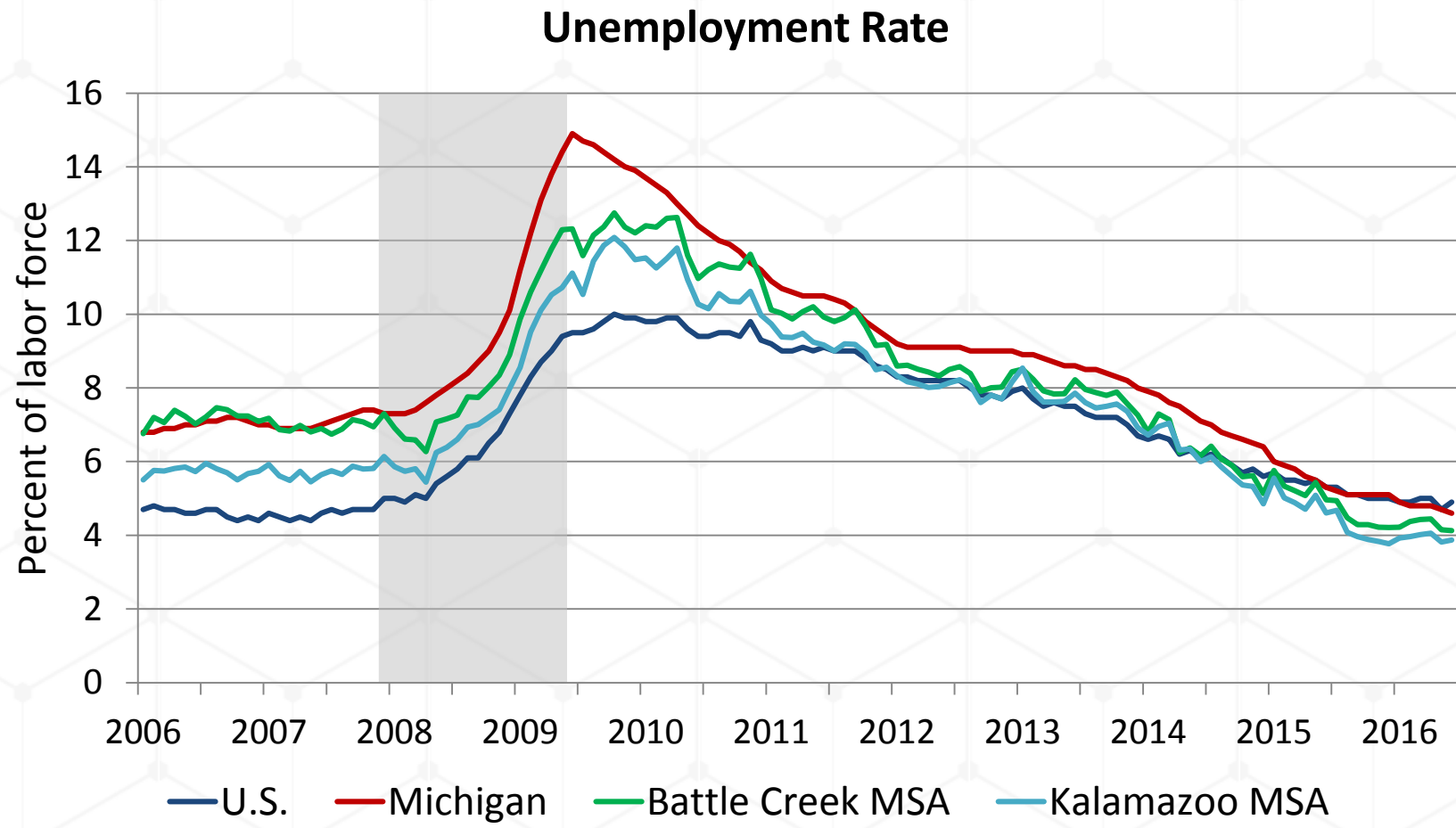
Statewide wages are not matching the national trend

Average Hourly Wage for Production Workers (2016\$)

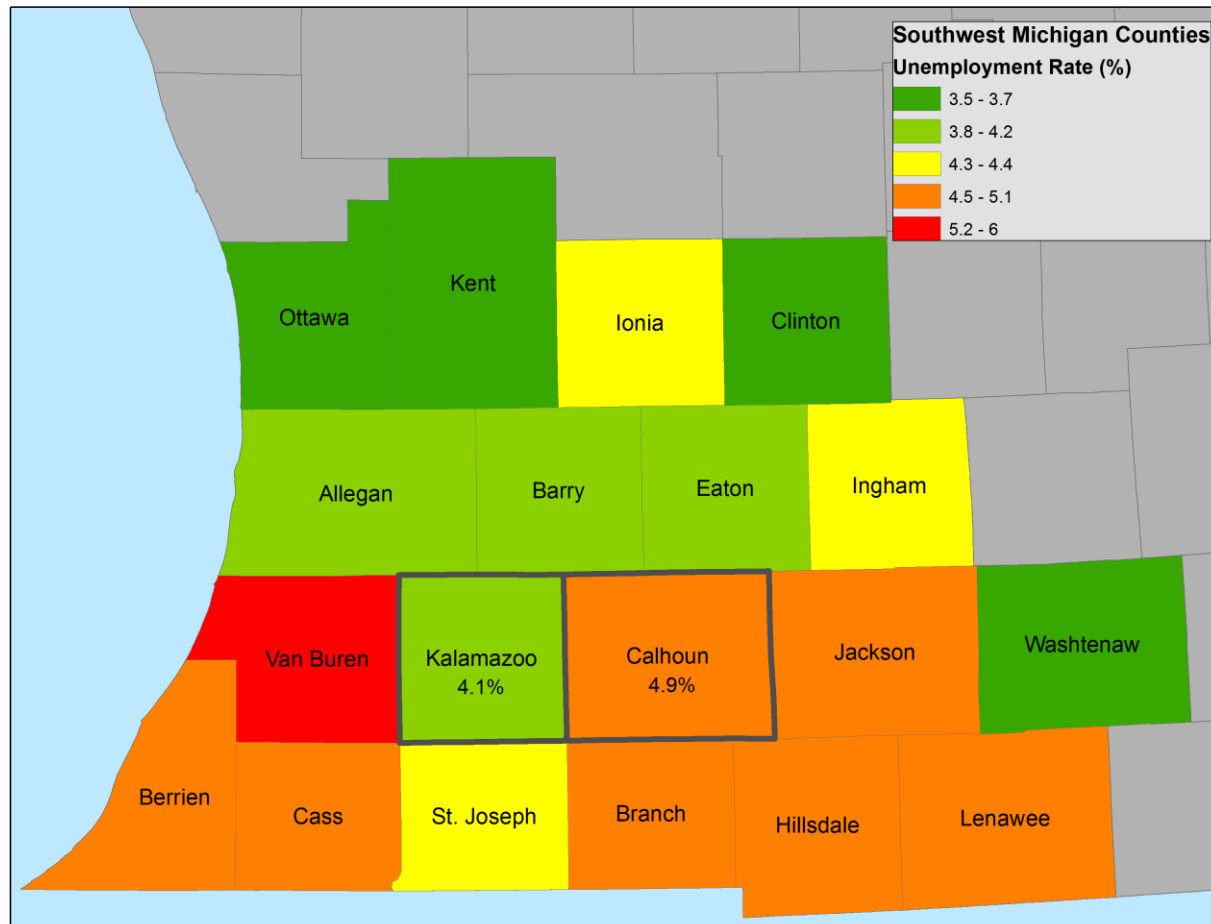


Battle Creek MSA and Kalamazoo- Portage MSA

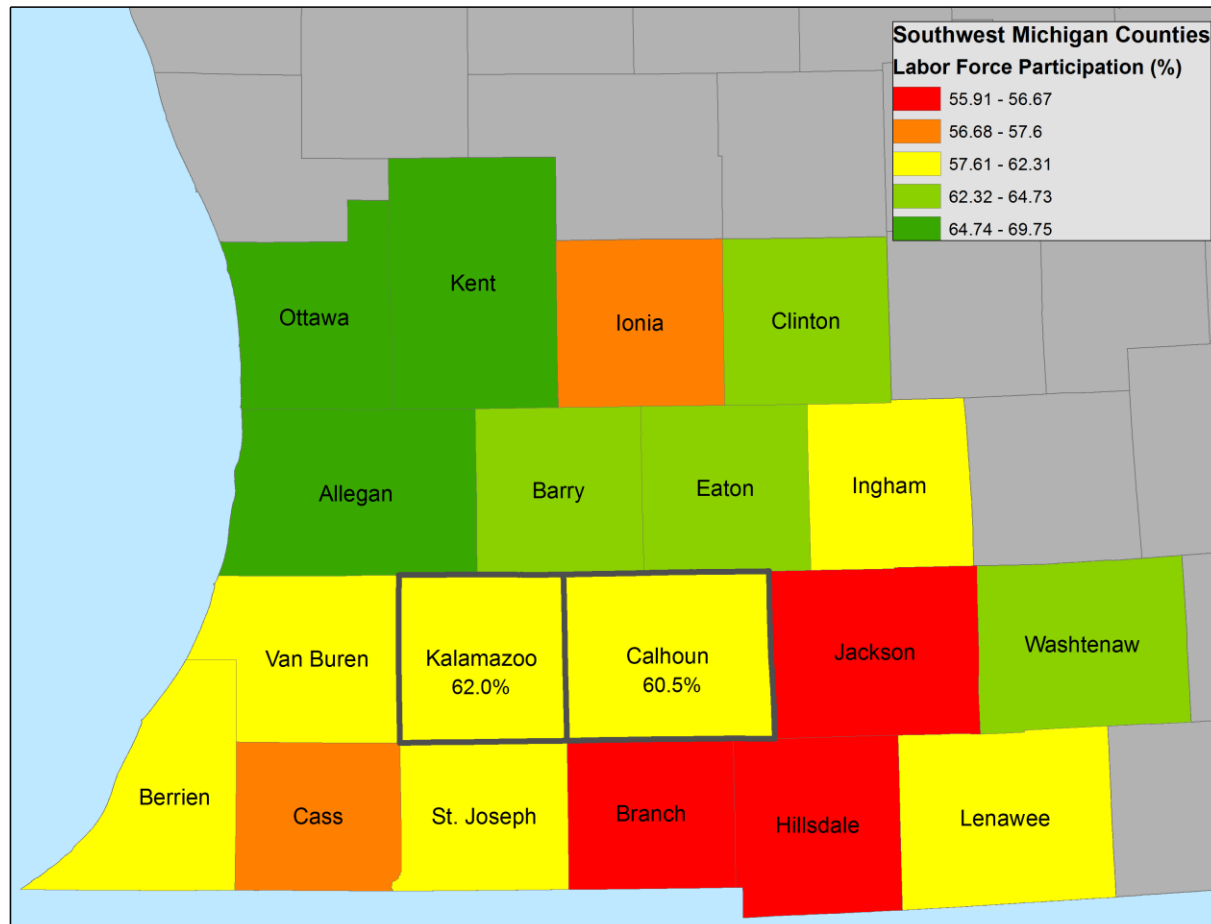
The unemployment rates – from the nation to the region – have been steadily falling



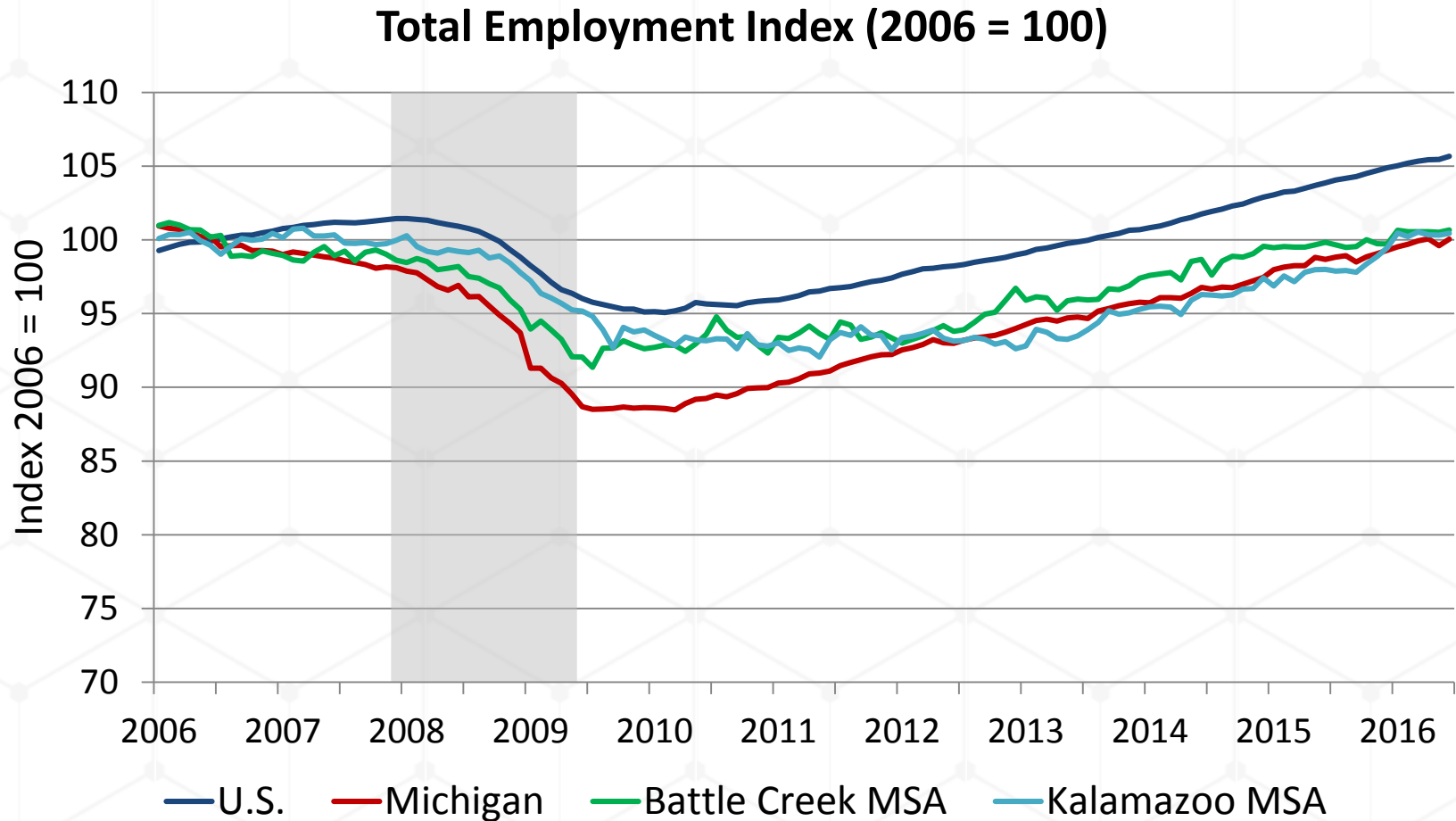
Unemployment rates across the region are low



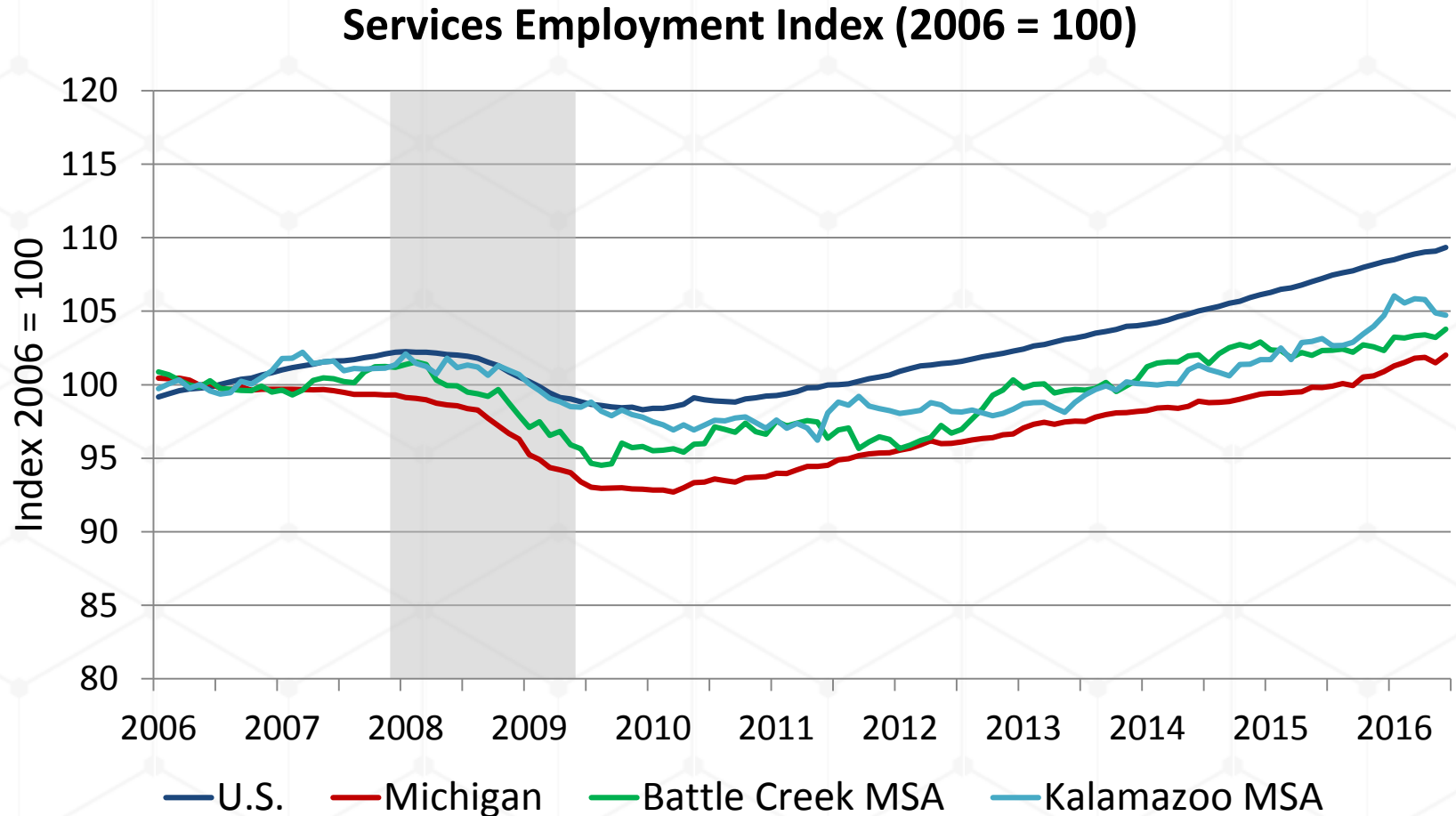
However, labor force participation rates are lower



Overall employment growth is tapering

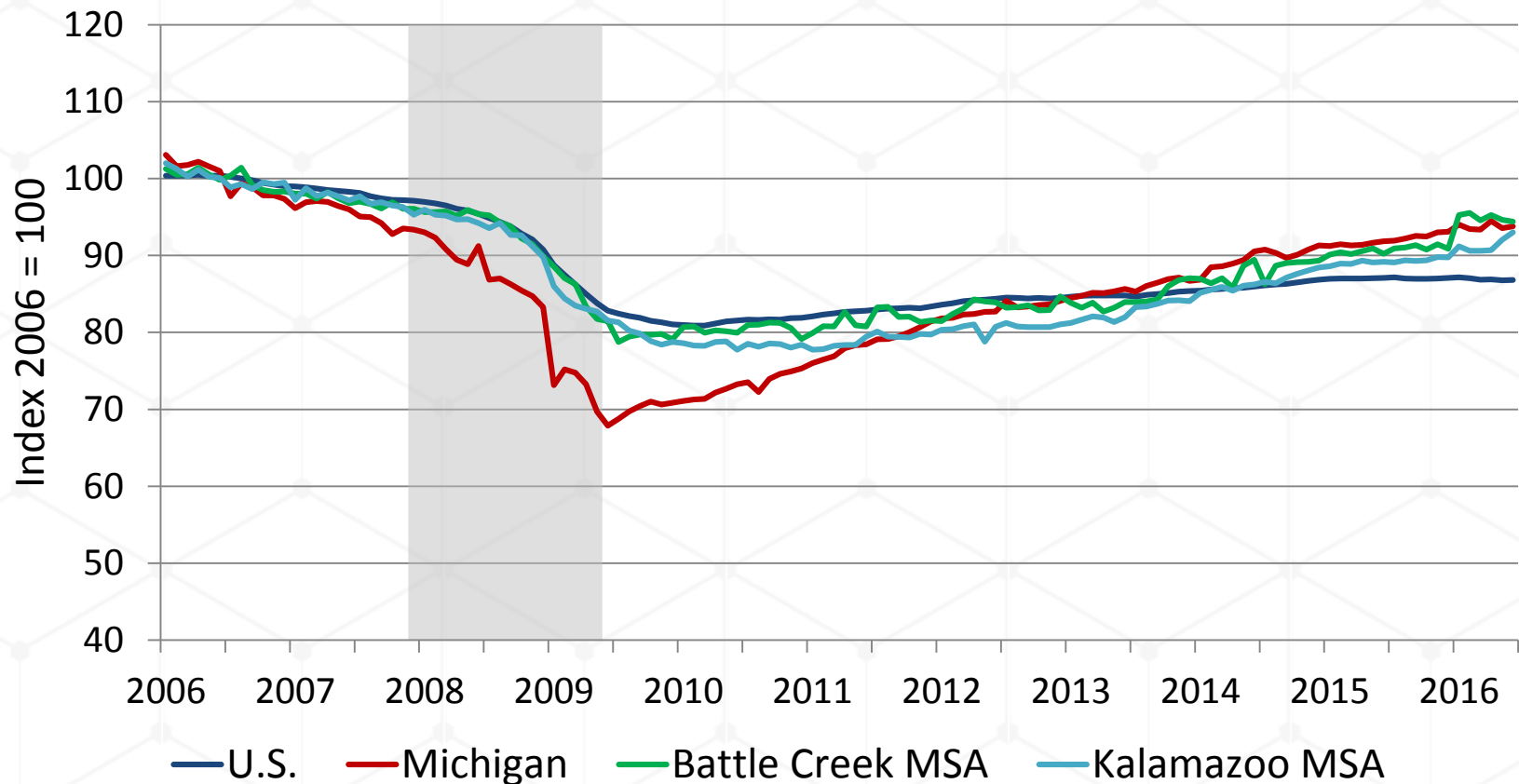


Services have grown similar to national and statewide patterns



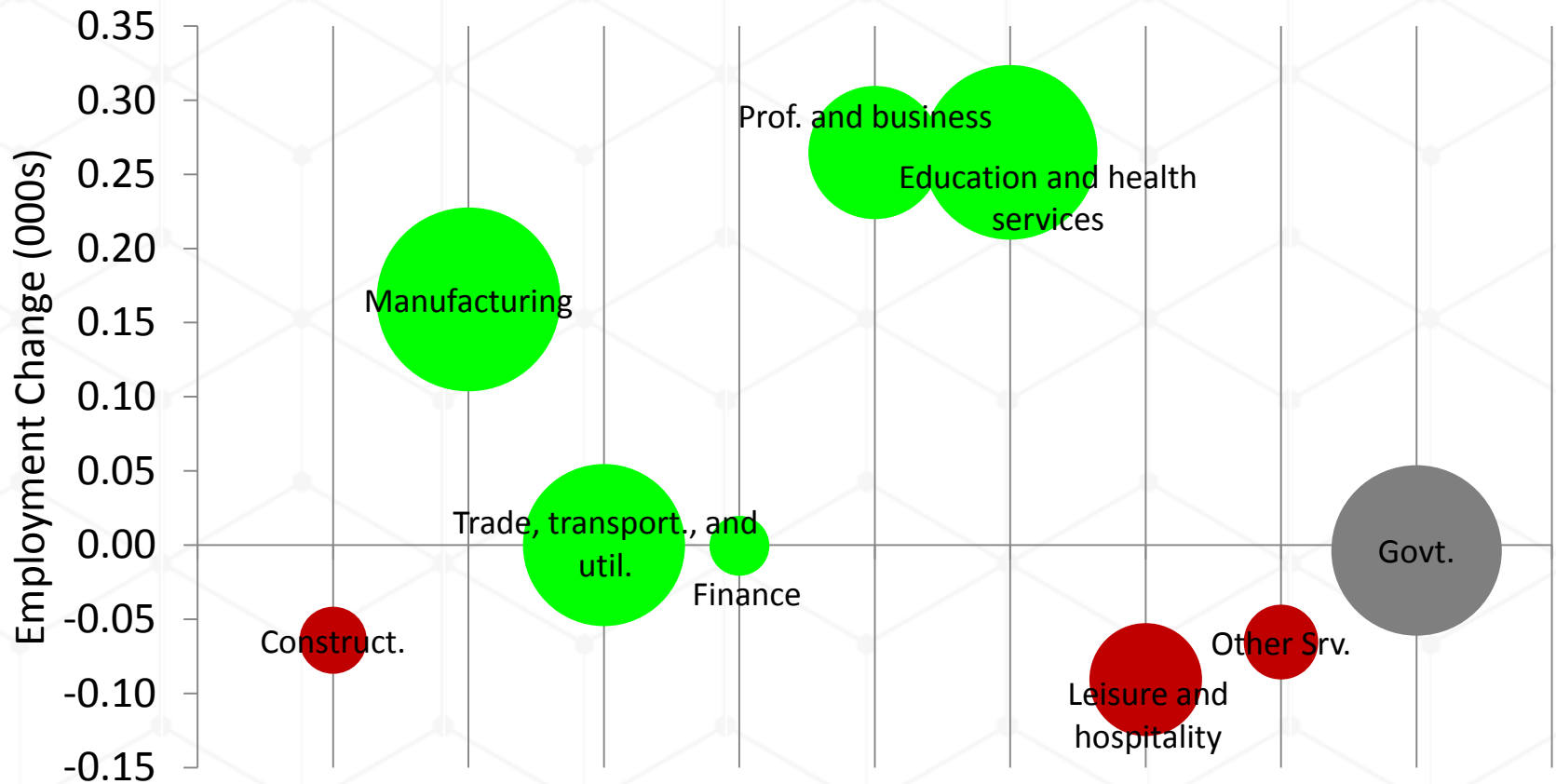
Manufacturing employment growth has outpaced the national rate

Manufacturing Employment Index (2006 = 100)



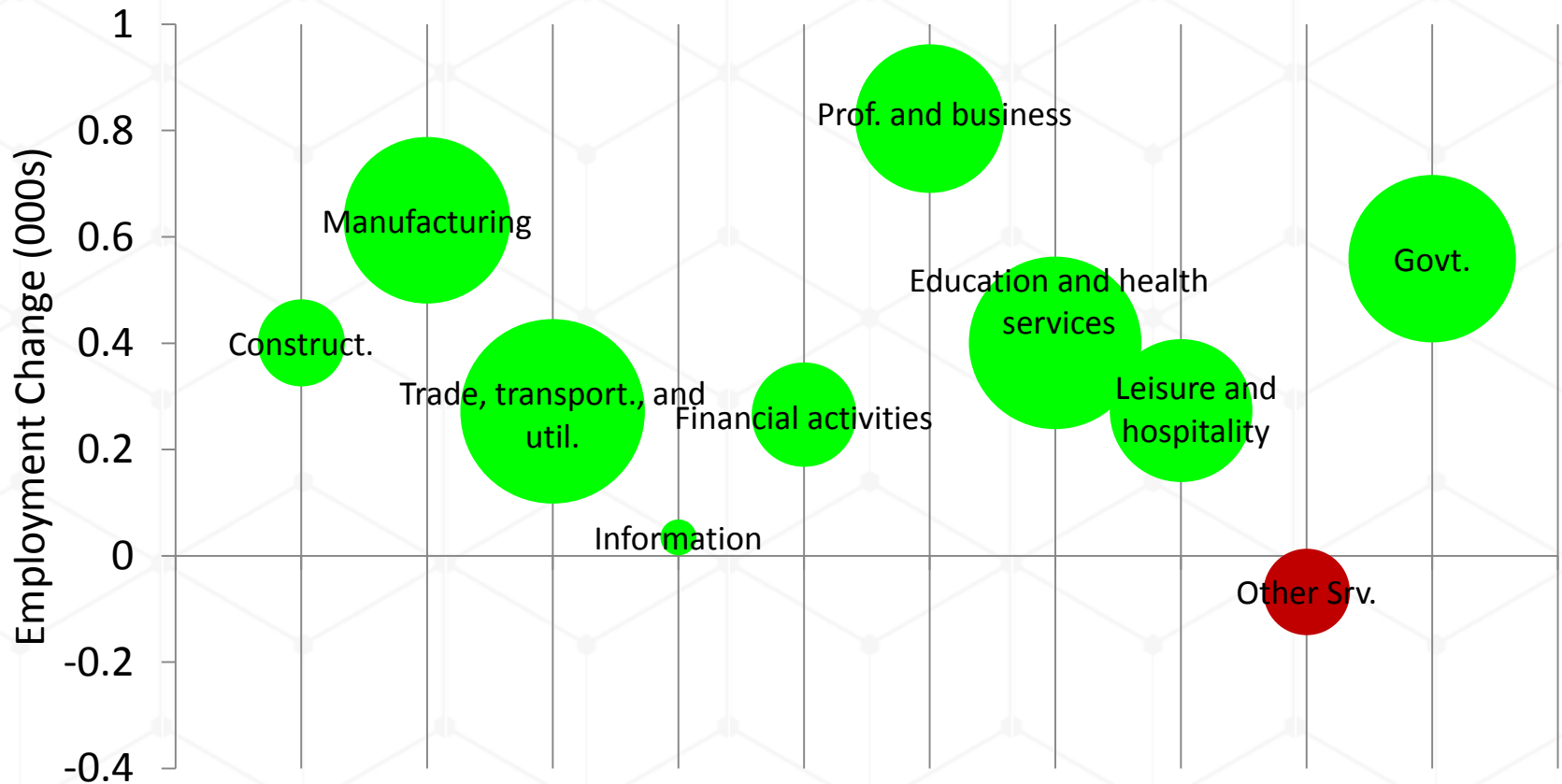
Employment growth in the Battle Creek MSA was mixed in the third quarter

Battle Creek Employment Change, Q2 2015 to Q2 2016

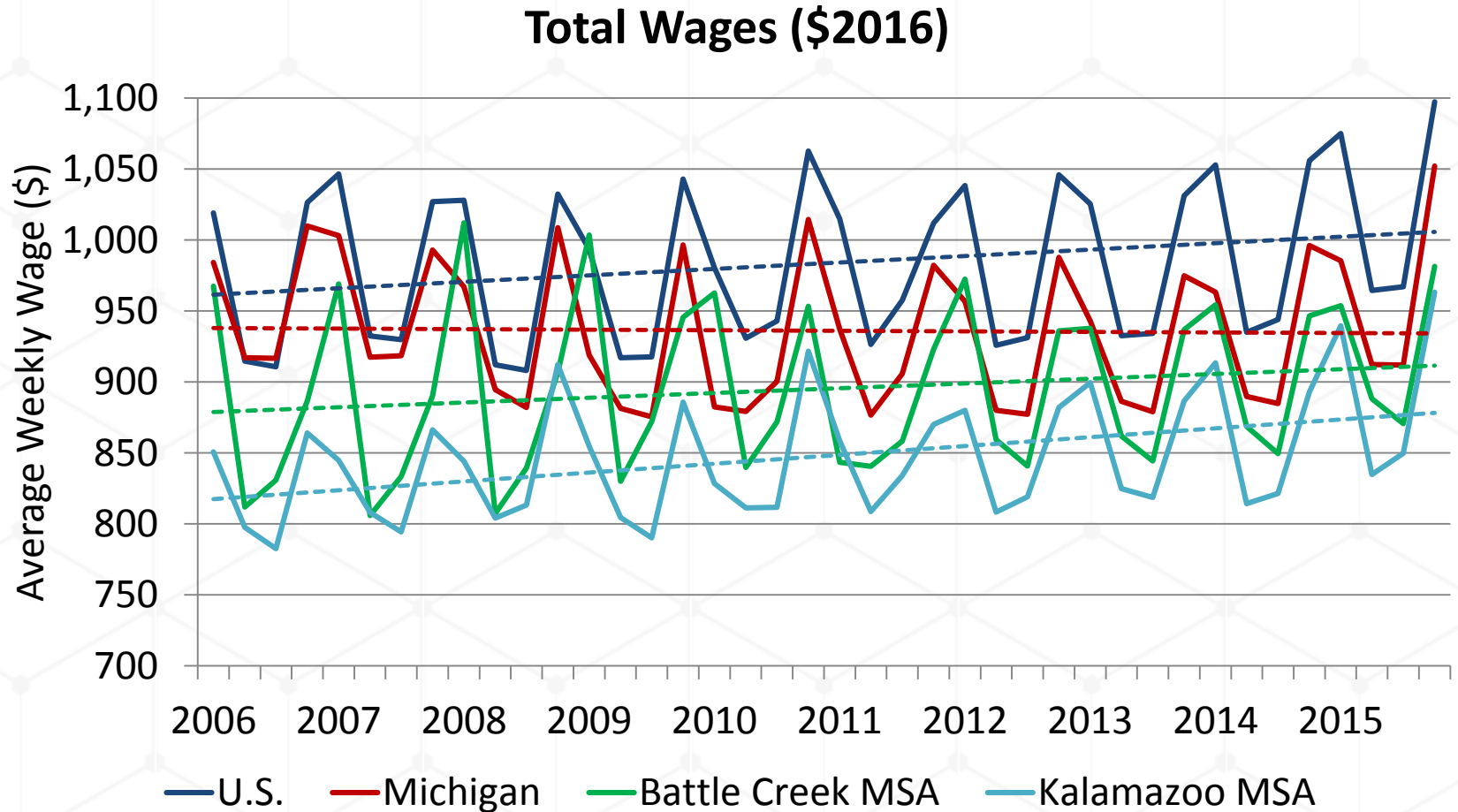


Nearly every industry grew in the second quarter

Kalamazoo Employment Change, Q2 2015 to Q2 2016

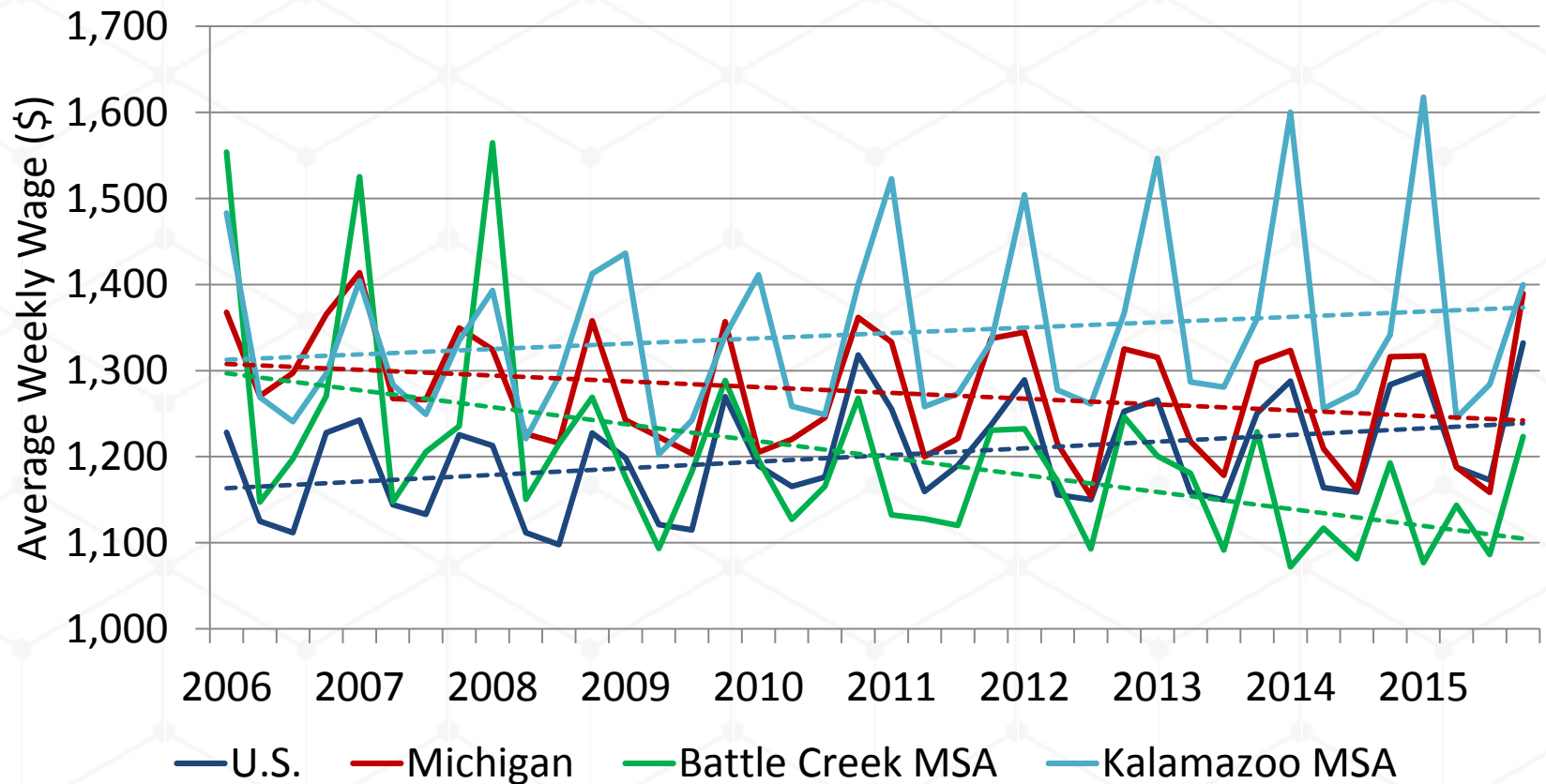


Overall, real wages are rising



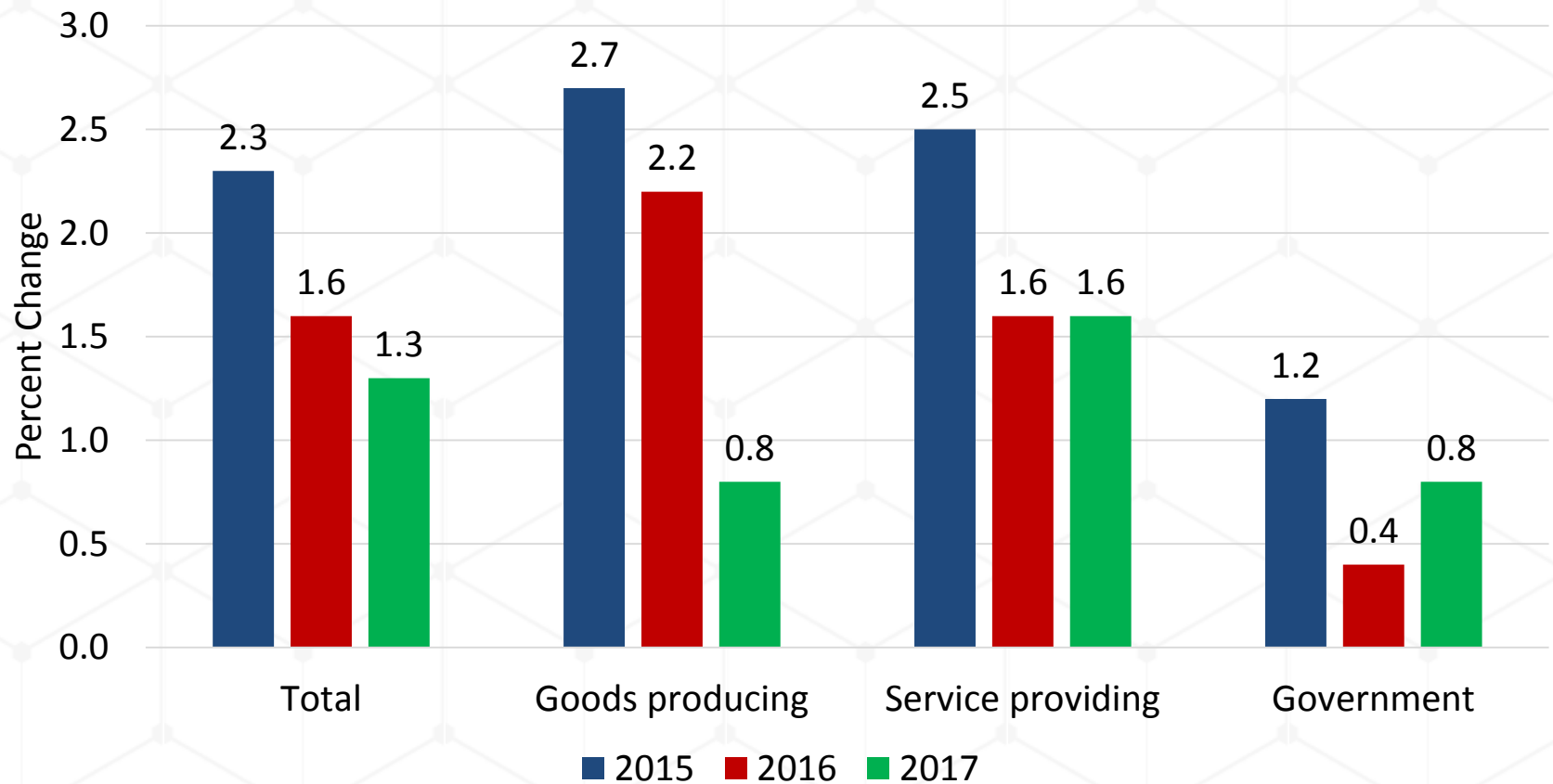
Manufacturing wages are rising in Kalamazoo, but falling in Battle Creek

Manufacturing Wages (\$2016)



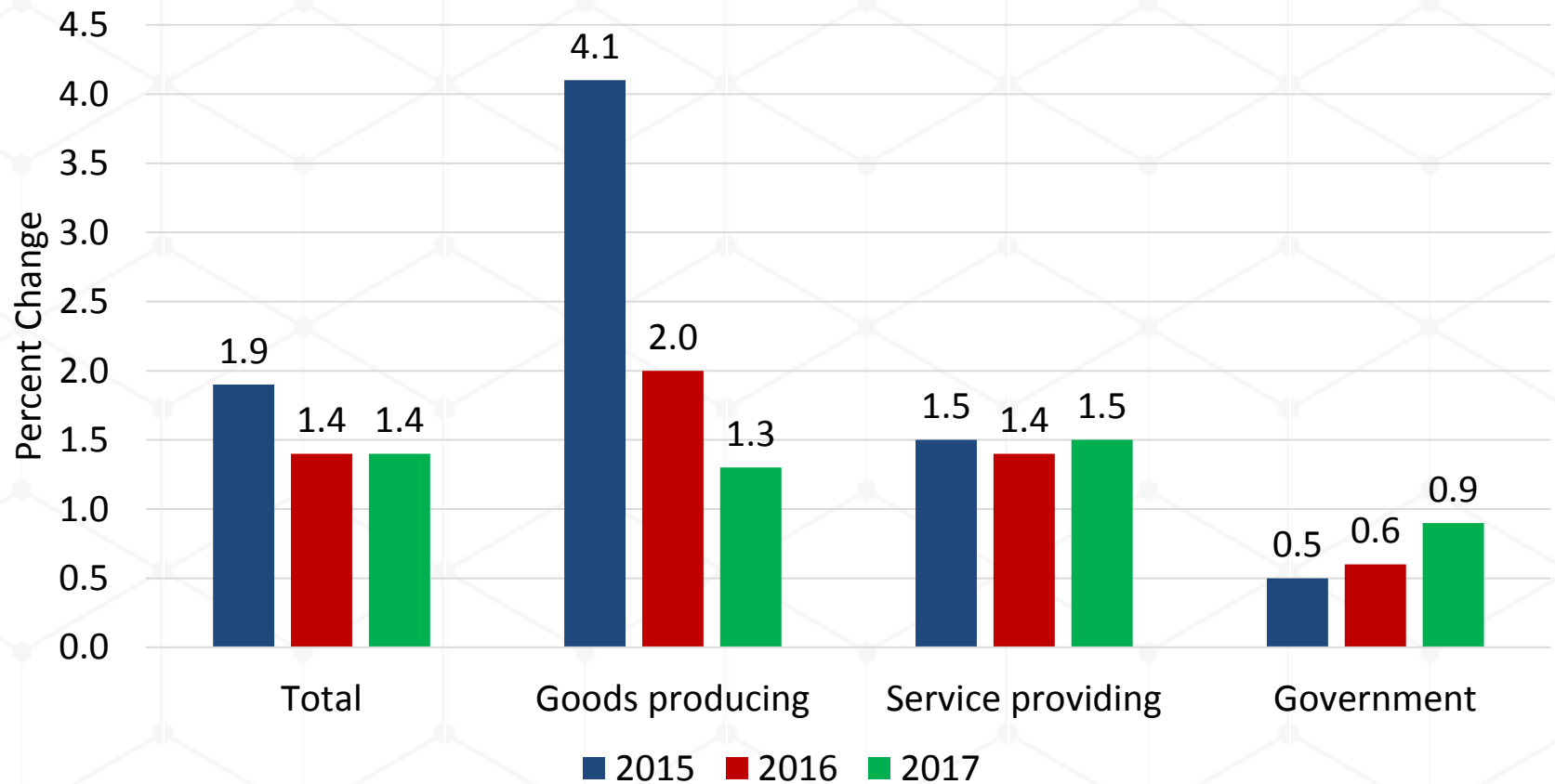
Battle Creek is forecast for slow growth this year and next

Battle Creek Employment Forecast



Kalamazoo's forecast shows a sharper drop-off in goods production

Kalamazoo Employment Forecast



Questions and comments?

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